

**FRUITA CITY COUNCIL SPECIAL WORKSHOP
OCTOBER 11, 2021
7:00 P.M.**

CALL TO ORDER

The Special Workshop Meeting of the Fruita City Council was called to order at 7:03 p.m. by Mayor Kincaid. City Council members present were Karen Leonhart, Kyle Harvey, Heather O'Brien, Lori Buck, Matthew Breman and Ken Kreie.

City staff present were City Manager Mike Bennett, Assistant to the City Manager Shannon Vassen, Deputy City Clerk Deb Woods, Planning & Development Director Dan Caris, City Planner Henry Hemphill, Code Compliance Officer Jesse Hess and Planning Technician Kelli McLean.

An unidentified guest was also present in the audience.

AGENDA ITEMS:

1. BROADBAND STRATEGIES

City Manager Mike Bennett gave staff's presentation. He reviewed three different types of business model options for municipal broadband and noted that he is continuously receiving unsolicited proposals from internet service providers who want to provide service at no cost to the City. Mr. Bennett explained that this could create an undesirable monopoly that would bind the City (and its residents) to that one provider only.

Mr. Bennett said he had just earlier in the day had a very productive meeting with Region 10, who works with the Department of Local Affairs (DOLA) to develop regional broadband implementation plans.

Region 10 advised the City of Fruita to maintain an open access fiber network by creating a "Carrier Neutral Location" facility that would have a lateral connection to a fiber line that already exists along I-70. Fruita would own that connection and could then lease it to internet providers. American Rescue Plan Act (ARPA) funds can be used to help fund the development of the connection and DOLA is looking for these types of projects for matching grant funds.

The next step would be for the City to request proposals from internet service providers (ISPs). The City could run the fiber to homes and businesses and own those, or could partner with the ISPs or allow them to build the connections. Mr. Bennett stressed the fact that the City would want to retain the rights to own the broadband network.

Mr. Bennett requested and received the go ahead from the Council on the first step in the process, which is to work with Region 10 and DOLA to determine the best approach to accomplishing a "middle mile" connection and looking for grant options to fund broadband internet services for Fruita.

2. SHORT-TERM RENTAL UPDATE

City Manager Mike Bennett introduced Jesse Hess, the new Code Compliance Officer for the City.

Planning and Development Director Dan Caris began the conversation concerning the issue of Short-Term Rentals (STRs) by recalling that the City Council had made a commitment to implement the new short-term rental process, provide an update to Council toward the end of the year and determine what to do with the temporary limit of STRs in place in a geographic area of the core of the City by April of 2022 when the limit expires. He reviewed the current status of the number of STRs in the core area of downtown Fruita, which had just reached 50 the previous Friday afternoon (not including Accessory Dwelling Units or Owner Occupied STRs). Staff is in the process of putting procedures in place to review all STRs on an annual basis to ensure that they are in compliance with the City's Land Use Code, have a business license and are paying lodging tax.

Planning Technician Kelli McLean explained the Planning Department's procedures including outreach to the property owners, documents that have been created and inspection measures by the Code Compliance Officer. She provided the numbers of applications received as:

- 50 total STR applications as of Friday, October 8, 2021
- 11 total STRs applications outside the downtown core
- 4 Owner Occupied/Accessory Dwelling Units
- 6 Withdrawals

There was lengthy discussion among staff and the Council members concerning issues such as the difference between residential and commercial property taxes, the affordable housing study and whether or how much it might help the Council to decide on regulations, the free market versus impacts to neighborhoods, first-come, first-serve versus lottery basis for limiting applications for STRs, how there were so many moving parts to this complex matter and the need for a coherent strategy and commonly understood goals.

The Council requested more information from staff regarding the amount of the difference between residential and commercial property tax and the average amount of application fees STRs pay in other communities.

3. PROCLAMATION REQUEST: OCTOBER 20, 2021 AS "SUPPORT YOUR LOCAL CHAMBER OF COMMERCE DAY"

There were no objections from the Council for the Proclamation of October 20, 2021 as "Support Your Local Chamber of Commerce Day."

4. OTHER ITEMS

City Manager Mike Bennett asked Council as a follow-up to the previous workshop on housing strategies whether they wanted to begin pursuing the creation of housing authority before the study is completed by EPS on housing in Fruita. He mentioned staff assumed to wait until after and Council concurred.

5. ADJOURN

With no further business before the Council, the Mayor adjourned the meeting at 9:24 p.m.

Respectfully submitted,

Debra Woods
Deputy City Clerk